



MASSACHUSETTS
DEPARTMENT OF
ENVIRONMENTAL
PROTECTION

Can State Incentive Programs Boost Materials Recovery?

- by John Fischer

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In Massachusetts, recycling and solid waste services are typically handled on a town by town basis. Although several regional solid waste organizations are active within the state, Massachusetts has a minimal county government presence. And, although the state has recycling goals and a number of materials are banned from landfills and combustion facilities, Massachusetts does not have a statewide mandatory recycling law. Therefore, most decision-making regarding residential recycling programs happens on the local level. And, most municipalities provide recycling services to their residents through contracts with recycling haulers.

Given this context, the Massachusetts Department of Environmental Protection (DEP) has emphasized "carrots" such as equipment grants and technical assistance to increase municipal recycling rates. DEP has awarded grants like these for more than a decade. But, beginning in July 1997, Massachusetts began a new challenge grant program called the Municipal Recycling Incentive Program (MRIP). This program was based on a successful regional pilot program that DEP ran in Northeast Massachusetts from 1994 to 1997. This article describes the MRIP program, summarizes three years of program results, and considers how this type of incentive approach can be used in the future.

A program overview

The goals of the MRIP program are to increase recycling tonnage, increase purchases of recycled products, and, especially in the current year, improve the management of hazardous household products (HHP). MRIP consists of three basic elements:

Incentive payments to qualifying municipalities;
Program eligibility criteria that municipalities must meet to qualify; and
District Coordinators who facilitate municipal program participation and assist municipalities with improving their programs

Incentive payments

DEP provides per ton incentive payments to qualifying municipalities for each ton of specified materials their residents recycle. Specified materials include paper recyclables and glass, metal and plastic containers from municipal recycling programs. To qualify, municipalities must meet specific performance-based and programmatic criteria. These criteria are intended to encourage municipalities to improve and expand their recycling programs, as well as to reward the efforts of municipalities that have already achieved the program requirements. Municipalities can use these incentive payments to support any recycling or waste reduction program in a qualifying city or town.

Through the first three years of MRIP, payments to participating municipalities have totaled nearly \$7.0 million. During the first three years, municipalities with curbside recycling programs received \$8 per ton, while municipalities with drop-off recycling

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programs received \$4 per ton. At the start of the third year, in July 1999, municipalities received a "bonus" payment for tonnage increases compared with the previous year. This \$20 per ton bonus payment (in lieu of the above payments of \$4 or \$8), provides further incentive to increase recycling tonnage.

Eligibility criteria

As part of the program goal of increasing recycling tonnage, the MRIP criteria have placed particular emphasis on increasing recycling services to residential sectors that have typically been under-served. These include:

- residents of apartment and condominium complexes that have not been included in municipal recycling programs; and
- residents in towns with drop-off recycling programs where the residents receive curbside trash collection from private subscription haulers.

To qualify for MRIP, municipalities have had to determine the larger of these two groups in their city or town. Then, they have had to ensure that first at least 51 percent, and then at least 75 percent, of these residents receive collection of at least two types of paper at least twice per month. This collection could be provided directly by a municipality (or municipally contracted hauler) or by private subscription haulers. But, either way, municipalities have had to ensure that this recycling service is provided.

DEP has also established performance-based criteria that require participating municipalities to either:

- Recycle a minimum amount of pounds per capita;
- Increase recycling tonnage by a certain percentage compared with the previous year; or
- Have a unit-based pricing, or pay-as-you-throw, program in place.

Closing the recycling loop by buying recycled products also is an important part of the MRIP criteria. Participating municipalities must implement a policy to buy recycled products in place of non-recycled products whenever they are readily available at the same quality and price. Municipal departments also have had to track and report their recycled product purchases on a fiscal year basis.

District coordinators

In addition to the incentive payments and eligibility criteria, the third critical element of MRIP is the program's District Coordinators. Through MRIP, DEP provides seven Coordinators that are dedicated to working closely with cities and towns in their districts to enhance municipal and regional programs. These Coordinators have played an important role by greatly expanding regional coordination and technical assistance for municipalities throughout the state.

Program results

DEP is constantly balancing the program goal of setting ambitious criteria that require municipalities to improve their recycling programs with the need to ensure that enough municipalities will be able to qualify to have a significant effect. Through the first three years, the results are encouraging. Participating cities and towns have increased

recycling tonnage by 12 percent over the last year alone. Municipalities participating over the full length of the MRIP program have increased recycling tonnage by 20 percent over the 2-and-half-year period. Municipalities encompassing more than half of the state's residents are participating in the program.

Municipal efforts to expand recycling services to more households have been the major contributor to this increased tonnage. Through MRIP, municipalities have expanded recycling service to 80,000 additional households over the past two years. Nearly 90 percent of these households live in apartments and condominiums, while the remainder live in single-family homes that are served by private trash haulers. In addition, municipalities have expanded recycling collection programs for schools, municipal buildings, and local businesses that have contributed to this increased tonnage.

The first two years of recycled product purchasing results show great promise as well. In Fiscal Year 1999 (FY 1999, from July 1, 1998 to June 30, 1999), participating municipalities reported purchasing \$2.8 million of recycled products, or 75 cents per capita. In FY 2000, a year later, participating municipalities reported \$4.2 million of recycled product purchases. These per capita purchases of \$1.15 per capita represented more than a 50 percent increase over a one-year period.

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Municipalities that have been able to meet the MRIP criteria and receive MRIP payments have been able to provide an impressive array of new recycling programs and services, as well as to better maintain existing services. Municipalities have used these funds for educational materials and events, recycling equipment and services, composting programs, programs to collect hazardous household products, dedicated recycling staff, and even buying and testing new recycled products. For many municipalities, receiving MRIP funds is part of a positive cycle that enables them to continue to improve their programs and, therefore, continue to qualify for additional MRIP payments.

Multi-family recycling: a brief case study

The City of Springfield (population of 144,272) is a good example of MRIP's success in the area of multi-family recycling. In 1999, Springfield, the third-largest city in Massachusetts, expanded its long-standing single-family mandatory recycling ordinance to include multi-family dwellings and businesses. Springfield also used MRIP funds to provide recycling carts, educational materials, and technical assistance to building owners and managers. Springfield is paying for collection costs for approximately 2,000 condo units by contracting with a recycling hauler on behalf of the condos, and collecting from up to 2,000 public housing units using the City's own trucks and collection crews. The City has also worked closely with recycling and trash haulers operating in Springfield.

As a result of Springfield's efforts and the support of MRIP funds, nearly 9,000 of the City's 13,000 multi-family housing units now have convenient curbside recycling services, with hundreds more coming on line each month. The City has also prepared a business recycling guidebook to encourage more businesses throughout the city to recycle.

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A new program approach

Through the first three years of MRIP, DEP offered a single set of eligibility criteria which municipalities needed to meet. Now, in the fourth year of MRIP, DEP has shifted program payments and criteria to a more flexible two-tiered system with the goal of enabling more municipalities to participate in the program, while still maintaining meaningful incentives. Municipalities that can meet "Advanced" program criteria will receive a payment of \$10 per ton (if curbside), or \$5 per ton (if drop-off). Municipalities that cannot meet the Advanced criteria can try to qualify for "Basic" criteria, and receive \$6 per ton (curbside) or \$3 per ton (drop-off) in return.

As part of the new MRIP criteria, DEP is placing a much greater emphasis on the collection and recycling and/or safe disposal of hazardous household products (HHP). As a minimum requirement for both the Basic and the Advanced tier, municipalities must meet one of the following three criteria:

- Collect at least two categories of high-volume hazardous household products on a regular, permanent local basis (automotive products; paint products; mercury-containing products such as fluorescent bulbs, batteries, thermometers, and thermostats; or computers and televisions);
- Establish reciprocal (i.e., shared) collection events with other municipalities at least six times per year; or
- Establish a comprehensive, permanent regional collection center that is open at least six times per year.

While some municipalities in Massachusetts have already set up these types of programs, many others will need to take some big steps forward to qualify for these requirements.

The future of MRIP

As with the MRIP requirements for increased recycling service, MRIP's challenge continues to be finding the right balance between the stringency of program criteria and the level of program payments. If the criteria are too easy for the payment levels, many municipalities will participate, but little change will be leveraged. And, the program budget could be exceeded. If the criteria are too demanding given the payment levels, too few municipalities will participate and, again, little change will be leveraged.

With three years of experience behind us, DEP has learned that, while it may be tricky to strike this balance, it is certainly possible to do so and leverage substantial program improvements and significant bottom-line results. Though a challenge grant program like MRIP may not be appropriate in all recycling or waste-reduction arenas, DEP has learned that it can be both a powerful and a flexible tool.